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Title: Henderson considers ethanol facilities

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Lead:

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A pair of ethanol plants, where motor fuel would be made from corn, are being considered for the Henderson area.

If one or both become a reality, they could create not only jobs but also provide a major new market for locally grown corn, Kevin Sheilley, president and CEO of Northwest Kentucky Forward, said Tuesday.

A 50-million-gallon ethanol plant would consume about 20 million bushels of corn per year, he said.

That's equal to about half of the 40 million bushels produced in Henderson, Union, Webster, McLean and Daviess counties in 2005, according to the National Agricultural Statistics Service.

Such a plant would like employ 100 to 150 people, according to Sheilley.

The backers of the projects are private investors, including some from the Henderson area, he said. While declining to identify the investors, he said both projects include some farmers.

They are looking at multiple sites in the Henderson-Union-Webster-McLean county area that Northwest Kentucky serves, including the Henderson County Riverport, Sheilley said. Such a project would need 30 to 100 acres, he said.

Northwest Kentucky, the riverport, Kenergy Corp. and private investors are participating in a \$35,000 study concerning the feasibility of converting corn into ethanol here.

Ethanol is an alcohol that is used both as a motor fuel or additive. It's used as a replacement for an additive called MTBE that is blamed for contaminating groundwater.

An ethanol plant, "I'm told, is kind of like a large industrial distillery," port Director Greg

Pritchett said.

Among the issues is how to best make use of byproducts, such as whether to sell carbon dioxide that is created during the fermentation process to a soft drink bottler or use it to make dry ice.

Another issue is how best to power the plant. Ethanol plants typically are fueled by natural gas, according to Sheilley.

Henderson would be "a great location" for such a facility, he said. It is centrally located; is located in the midst of Kentucky's chief grain-producing region; and has access to barge, rail and truck transportation.

"There are ways to move ethanol that are a challenge in other parts of the country," Sheilley said.

Ethanol production has soared over the past quarter century, climbing from 175 million gallons in 1980 to an estimated 3.25 billion gallons in 2004, according to the American Coalition for Ethanol.

There are 97 ethanol plants in the U.S. plus 34 under construction and dozens more being planned, according to the coalition's web site.

Some are owned by ag giants such as Archer Daniels Midland and Cargill Inc.

But nearly half are owned by farmer-owned cooperatives, including the Commonwealth Agri-Energy LLC ethanol plant in Hopkinsville, which is owned by the the 2,300 members of the Hopkinsville Elevator Co. co-op and the 650 members of the Kentucky Corn Growers Association.

A plant that size would cost \$30 million to \$35 million to build, Sheilley said.

The Hopkinsville plant was opened with help from the Kentucky Agricultural Development Board. Sheilley said it operated profitably in its first year and has since expanded.

That plant, with production of 20 million gallons per year, is considered a small plant, Sheilley said. The projects being considered here would be medium to large plants, with production of more than 50 million gallons annually.

Helping develop an ethanol plant fits in Northwest Kentucky Forward's strategy of creating jobs by focusing on the energy industry by taking advantage of renewable feedstocks such as corn and soybeans as well as through use of the region's coal, oil and natural gas resources, Sheilley said.

"I'm definitely for it," Charles Johnson, a former farmer who is a director on the riverport authority, said.

Johnson said the United States could learn from one of its southern neighbors.

"Brazil just passed a milestone," he said. "They are totally energy independent. They've

converted so many vehicles over to ethanol that what minor oil production they have is enough to meet their needs."

In freeing themselves from the need to import petroleum from the Middle East or elsewhere, Johnson said, "Brazil decided to not be held hostage by people who do not have their best interests at heart."

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